case of Jessop as well, since the disinvestment exercise was taken up in 2001, DEVCON Engineers and Valuers undertook fresh exercise of valuation. The Replacement value as on 31.3.2001 worked out by them is Rs. 194.42 crore. This was taken into consideration before fixing the reserve price of JCL. As per L. B. Jha's report made pursuant to a BIFR proceeding in 1995, the total net replacement cost of JCL's assets (net of depreciation) was worked out as Rs. 140.94 crore as on 31.3.1995.

The networth of JCL as on 30.9.2001 is (−) Rs. 290.84 crore as a result of huge losses accumulated over past several years totaling to Rs. 372.37 crore. Therefore, in the case of JCL, the relevant methodology is Discounted Cash Flow as in the case of strategic sale on a 'going concern' basis.

The asset valuation method has relevance only for ascertaining the winding up scenario. In this methodology, therefore, the realisable value would be adjusted for the amount payable to the Secured and Preferential Creditors (Rs. 115.35 crore approximately for JCL) and the balance left thereafter, distributed amongst all other Unsecured Creditors (Rs. 324.93 crore approximately). Thereafter, the net realisation to Government in the winding up scenario is estimated and compared with the cost to the Government in case of revival of the Company through strategic sale after factoring in the bid price. This estimation clearly indicates the cost of revival through strategic sale to be less than the cost of closure.

Disinvestment of MUL

1482. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:
SHRIMATI VANGA GEETHA:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have initiated the process of disinvestment of Government equity in the Maruti Udyog Ltd.;

(b) if so, the details and progress thereof; and

(c) the present Government stake in the company and the extent of the proposed dilution of their holding and at what price?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The present stake in equity capital of Maruti Udyog Ltd. (MUL) held by Government of India is 49.74%. Government, at this stage, has decided to offer shares on a rights basis to existing shareholders with a renunciation option for the Government in favour of Indian Financial Institutions and/or Suzuki Motor Corporation (SMC). Government has invited Suzuki Motor Corporation for negotiations on the principles of fixation of rights issue price, respective proportion of renunciation in favour of Indian Financial Institutions and/or Suzuki Motor Corporation, renunciation premium and control premium to be paid by SMC.

Disinvestment of ITDC Hotels

1483. SHRI V.V. RAGHAVAN:
SHRI J. CHITHARANJAN:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have initiated the process for disinvestment of some ITDC Hotels in the third round including Ashok Kovalam Beach Resort;

(b) if so, the details thereof;

(c) whether it is also a fact that Government have received representations against the sale of Ashok Kovalam Beach Resort;

(d) if so, the details thereof and Government's reaction thereto;

(e) whether it is also a fact that some palace land and property were acquired for the construction of Kovalam Beach Resort; and

(f) if so, Government's plan to use this property?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) The decision regarding disinvestment of Kovalam Ashok Beach Resort, a unit of India Tourism Development Corporation Ltd. (ITDC) has been taken by the Government in accordance with the recommendations of the Disinvestment Commission, as accepted by the Government. Advertisement inviting Expressions of Interest from